

Rural Utilities Service, USDA

§ 1780.48

official of the organization. Forms RD 442-2, "Statement of Budget, Income and Equity," and 442-3 may be used.

(f) *Management reports.* These reports will furnish management with a means of evaluating prior decisions and serve as a basis for planning future operations and financial strategies. In those cases where revenues from multiple sources are pledged as security for an RUS loan, two reports will be required; one for the project being financed by RUS and one combining the entire operation of the borrower. In those cases where RUS loans are secured by general obligation bonds or assessments and the borrower combines revenues from all sources, one management report combining all such revenues is acceptable. The following management data will be submitted by the borrower to the processing office. These reports at a minimum will include a balance sheet and income and expense statement.

(1) *Quarterly reports.* A quarterly management report will be required for the first year for new borrowers and for all borrowers experiencing financial or management problems for one year from the date problems were noted. If the borrower's account is current at the end of the year, the processing office may waive the required reports.

(2) *Annual management reports.* Prior to the beginning of each fiscal year the following will be submitted to the processing office. (If Form RD 442-2 is used as the annual management report, enter data in column three only of Schedule 1, and complete all of Schedule 2.)

(i) Two copies of the management reports and proposed "Annual Budget".

(ii) Financial information may be reported on Form RD 442-2 which includes Schedule 1, "Statement of Budget, Income and Equity" and Schedule 2, "Projected Cash Flow" or information in similar format.

(iii) A copy of the rate schedule in effect at the time of submission.

(g) *Substitute for management reports.* When RUS loans are secured by the general obligation of the public body or tax assessments which total 100 percent of the debt service requirements, the State program official may authorize an annual audit to substitute for

other management reports if the audit is received within 150 days following the period covered by the audit.

§ 1780.48 Regional commission grants.

Grants are sometimes made by regional commissions for projects eligible for RUS assistance. RUS has agreed to administer such funds in a manner similar to administering RUS assistance.

(a) When RUS has funds in the project, no charge will be made for administering regional commission funds.

(b) When RUS has no loan or grant funds in the project, an administrative charge will be made pursuant to the Economy Act of 1932 (31 U.C.S. 1535). A fee of 5 percent of the first \$100,000 of a regional commission grant and 1 percent of any amount over \$100,000 will be paid to RUS by the commission.

(1) *Appalachian Regional Commission (ARC).* RUS Bulletin 1780-23 will be followed in determining the responsibilities of RUS. The ARC Federal Co-chairman and the State program official will provide each other with the necessary notification and certification.

(2) *Other regional commissions.* Title V of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 *et seq.*) authorizes other commissions similar to ARC. RUS Bulletin 1780-23 will be used to develop a separate project management agreement between RUS and the commission for each project. The agreement should be prepared by the State program official as soon as notification is received that a commission grant will be made and the amount is confirmed.

(c) Regional commission grants should be obligated as soon as possible in accordance with §1780.41, except that the announcement procedure referred to in RUS Staff Instruction 1780-2 is not applicable. Regional commission grants will be disbursed from the Finance Office in the same manner as RUS funds.

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